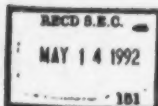




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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 10-Q

13
V9L-2233

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarter ended March 31, 1992

Commission file number 0-8026

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THE SUMMIT BANCORPORATION

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of
incorporation or organization)

22-2007124

(I.R.S. Employer
Identification No.)

One Main Street, Chatham, New Jersey

(Address of principal executive offices)

07928

(Zip Code)

Registrant's telephone number, including area code: (201) 701-2666

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Number of shares of Common Stock outstanding as of March 31, 1992: 21,158,966

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PART I. FINANCIAL INFORMATION

The Summit Bancorporation and Subsidiaries Consolidated Statement of Condition (Unaudited)

	March 31, 1992	December 31, 1991
	(in Thousands)	
Assets		
Cash and Due from Banks	\$ 186,192	\$ 223,932
Interest Bearing Deposits with Banks	1,013	1,013
Federal Funds Sold and Other Short-Term Investments	168,500	158,000
Investment Securities:		
U.S. Treasury	19,875	23,632
U.S. Government Agency	614,689	584,264
State and Municipal	93,847	96,650
Other Securities	<u>122,060</u>	<u>86,677</u>
Total Investment Securities (Market Value of \$867,017 and \$819,028)	850,471	791,223
Trading Account Securities	987	1,725
Loans	2,472,547	2,499,260
Less: Allowance for Loan Losses	<u>83,341</u>	<u>83,300</u>
Net Loans	2,389,206	2,415,960
Premises and Equipment	40,045	39,361
Accrued Interest Receivable	26,563	26,172
Other Assets	<u>91,667</u>	<u>106,747</u>
Total Assets	<u>\$3,754,644</u>	<u>\$3,764,133</u>
Liabilities and Stockholders' Equity		
Deposits:		
Demand	\$ 540,081	\$ 550,894
Savings	1,186,353	1,127,034
Money Market Accounts	605,711	558,654
Certificates of Deposit \$100,000 and Over	109,484	150,242
Other Time	<u>891,547</u>	<u>954,545</u>
Total Deposits	3,335,476	3,341,369
Federal Funds Purchased and Securities Sold		
Under Agreements to Repurchase	70,314	76,091
Other Short-Term Borrowings	3,592	2,009
Accrued Expenses and Other Liabilities	49,402	56,839
Long-Term Debt	<u>17,850</u>	<u>20,850</u>
Total Liabilities	3,476,634	3,497,158
Stockholders' Equity:		
Preferred Stock, No Par Value, Authorized 12,000 Shares		
Cumulative Adjustable Rate, Issued and Outstanding 800 Shares	20,000	20,000
Common Stock, No Par Value, Authorized 50,000 Shares		
Issued and Outstanding 21,159 and 20,489 Shares	33,104	32,195
Surplus	155,795	148,612
Retained Earnings	<u>69,111</u>	<u>66,168</u>
Total Stockholders' Equity	<u>278,010</u>	<u>266,975</u>
Total Liabilities and Stockholders' Equity	<u>\$3,754,644</u>	<u>\$3,764,133</u>

See Accompanying Notes to Consolidated Financial Statements.

The Summit Bancorporation and Subsidiaries
Consolidated Statement of Income
(Unaudited)

	Three Months Ended March 31,	
	<u>1992</u>	<u>1991</u>
	(In Thousands Except Per Share Amounts)	
Interest Income:		
Interest and Fees on Loans	\$53,327	\$64,870
Interest and Dividends on Securities	14,487	14,776
Interest on Federal Funds Sold and Other Short-Term Investments	1,814	1,758
Interest on Deposits with Banks	21	—
Total Interest Income	<u>\$69,649</u>	<u>\$81,404</u>
Interest Expense:		
Interest on Deposits	30,389	43,293
Interest on Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	676	1,166
Interest on Other Short-Term Borrowings	19	34
Interest on Long-Term Debt	534	1,252
Total Interest Expense	<u>31,618</u>	<u>45,745</u>
Net Interest Income	38,031	35,659
Provision for Loan Losses	<u>5,075</u>	<u>4,444</u>
Net Interest Income After Provision for Loan Losses	<u>32,956</u>	<u>31,215</u>
Noninterest Income:		
Trust Income	2,498	2,159
Service Fees on Deposit Accounts	3,512	2,941
Investment Securities Gains	762	3
Other Income	<u>3,272</u>	<u>2,362</u>
Total Noninterest Income	<u>10,044</u>	<u>7,465</u>
Noninterest Expense:		
Salaries and Employee Benefits	16,664	16,963
Net Occupancy Expense	3,409	3,213
Furniture and Equipment Expense	1,906	2,121
Other Expenses	<u>11,662</u>	<u>9,570</u>
Total Noninterest Expense	<u>33,641</u>	<u>31,867</u>
Income Before Income Taxes	9,359	6,813
Applicable Income Taxes	<u>3,232</u>	<u>1,712</u>
Net Income	<u>\$ 6,127</u>	<u>\$ 5,101</u>
Net Income Available to Common Stockholders	<u>\$ 5,827</u>	<u>\$ 4,796</u>
Per Common Share:		
Net Income	\$.28	\$.24
Weighted Average Shares Outstanding	20,789	19,878

See Accompanying Notes to Consolidated Financial Statements.

The Summit Bancorporation and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
(Unaudited)

	Three Months Ended	
	March 31,	
	1992	1991
	(In Thousands)	
Balance, January 1, ...	\$266,975	\$250,340
Net Income	6,127	5,101
Common Stock Issued Under:		
Dividend Reinvestment and Stock Purchase Plan	7,478	—
Stock Incentive Plans	615	66
Cash Dividends Declared:		
Adjustable Rate Preferred Stock	(300)	(305)
Common Stock	(4,162)	(3,969)
Allowance for Marketable Equity Securities	<u>1,277</u>	<u>3,794</u>
Balance, March 31, ...	<u>\$278,010</u>	<u>\$255,027</u>

See Accompanying Notes to Consolidated Financial Statements.

The Summit Bancorporation and Subsidiaries
Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended	
	March 31,	
	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Operating Activities:		
Net Income	\$ 6,127	\$ 5,101
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expenses	1,773	1,767
Provision for Loan Losses	5,075	4,444
Investment Securities Gains	(762)	(3)
Decrease in Trading Account Securities	738	127
Gain on Sale of Loans	(958)	(221)
(Increase) Decrease in Accrued Interest Receivable	(391)	1,392
Decrease in Accrued Interest Payable	(546)	(1,911)
Decrease (Increase) in Other Assets	14,284	(3,444)
(Decrease) Increase in Accrued Expenses and Other Liabilities	(6,891)	1,916
Other, Net	27	(8)
Net Cash Provided by Operating Activities	<u>18,476</u>	<u>9,160</u>
Investing Activities:		
(Increase) Decrease in Loans Made to Customers	(42,156)	6,144
Loans Sold	64,793	31,166
Purchases of Investment Securities	(231,940)	(47,296)
Maturities from Investment Securities	159,480	54,926
Proceeds from Sales of Investment Securities	15,909	6,639
Purchases of Premises and Equipment	(2,371)	(971)
Increase in Short-Term Investments	(10,500)	(96,112)
Other, Net	25	22
Net Cash Used by Investing Activities	<u>(46,760)</u>	<u>(45,482)</u>
Financing Activities:		
Decrease in Deposits	(5,893)	(17,383)
(Decrease) Increase in Federal Funds Purchased, Securities Sold Under		
Agreements to Repurchase and Other Short-Term Borrowings	(4,194)	2,812
Long-Term Debt Repurchased or Matured	(3,000)	(8,500)
Cash Dividends Paid	(4,462)	(4,274)
Common Stock Issued	8,093	66
Net Cash Used by Financing Activities	<u>(9,456)</u>	<u>(27,279)</u>
Net Decrease in Cash and Due From Banks	(37,740)	(63,601)
Cash and Due from Banks at January 1, ...	<u>223,932</u>	<u>220,719</u>
Cash and Due from Banks at March 31, ...	<u>\$186,192</u>	<u>\$157,118</u>
Cash Paid During the Period for:		
Interest	\$32,164	\$47,656
Income Taxes	5,965	300

See Accompanying Notes to Consolidated Financial Statements.

The Summit Bancorporation and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. Principles of Consolidation

The financial statements include the accounts of The Summit Bancorporation ("SUMMIT") and its subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. In the opinion of SUMMIT, all adjustments (consisting only of normal recurring accruals) which are necessary for a fair statement of the results of the operations for the interim periods have been reflected herein.

2. Allowance for Loan Losses

The allowance for loan losses is increased by provisions charged to expense and reduced by charge-offs, net of recoveries. The provision for loan losses is based on management's evaluation of the adequacy of the allowance for loan losses. This evaluation encompasses consideration of past loan loss experience and other factors, including changes in the composition and volume of the credit portfolio, the level and composition of nonperforming loans, the condition of industries experiencing particular financial pressures, the relationship of the current level of the allowance to the credit portfolio and to nonperforming assets, and economic conditions.

3. Earnings Per Common Share

Earnings per common share is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding. Shares issuable under the stock option incentive plan have not been included in the calculation of earnings per share since their effect is not material.

4. Pending Litigation

SUMMIT and various of its directors and officers are defendants in a lawsuit commenced in April 1991 in the United States District Court for the District of New Jersey. The suit purports to be a class action brought by a plaintiff who is alleged to have purchased stock of SUMMIT and to have received stock of SUMMIT in exchange for securities of Somerset Bancorp, Inc. The suit alleges violations of Federal securities laws and New Jersey common law. No specific amount of damages is sought by the plaintiff. In September 1991, defendants' motion to dismiss was denied and a subsequent motion for certification of an appeal was also denied.

Management believes that the allegations are without merit and SUMMIT intends to defend itself vigorously. Based upon information presently available, management believes that neither the financial position nor the results of operations of SUMMIT will be affected materially by the final outcome of this lawsuit.

5. Dividend Reinvestment Plan

SUMMIT's dividend reinvestment plan allows existing SUMMIT shareholders to reinvest their quarterly dividends and to make optional cash purchases of SUMMIT common stock at up to a 5% discount from the current market price (based on a 15-day market price average). By offering newly issued shares of SUMMIT common stock, the proceeds of the equity sales are added to SUMMIT's capital base.

6. Subsequent Event

On May 6, 1992, SUMMIT issued 2,875,000 shares of Common Stock in a public underwriting. Net proceeds from the sale totaled \$40,307,500, after deducting the underwriting discount but before deducting other expenses payable by SUMMIT which are estimated to be \$165,000.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Summary

Earnings for the quarter ended March 31, 1992 were \$6.1 million, an improvement of 20.1% from the \$5.1 million earned in the same quarter of 1991. On a per share basis, net income amounted to \$.28 for the first three months of 1992 compared to \$.24 in the same quarter of 1991, a 16.7% increase. A higher level of average common shares outstanding during the first quarter of 1992 over the first quarter of 1991, due to the issuance of new shares under the Dividend Reinvestment and Stock Purchase Plan, was responsible for the somewhat lower percentage increase in per share earnings.

SUMMIT's return on average assets improved to .66% during the first quarter of 1992, compared with .56% for the same quarter of 1991. Similarly, the return on average common equity for the first three months increased to 9.29% in 1992 from 8.31% for the first quarter of 1991.

The growth in 1992 first quarter earnings compared with the first quarter of 1991 was principally attributable to increases in both net interest income and noninterest income, partially offset by a higher loan loss provision and a rise in noninterest expenses.

Net Interest Income

Net interest income on a tax-equivalent basis grew 5.4% to \$39.1 million during the first quarter of 1992 from the \$37.1 million earned in the first quarter of 1991. A widening in the net interest margin from 4.34% in the first quarter of 1991 to 4.51% in the first quarter of 1992 was the primary factor contributing to the increase in net interest income. The improvement in the margin resulted principally from a favorable shift in the mix of interest bearing liabilities to lower-rate core deposits (such as NOW account and savings deposits), the ability to lower rates on interest bearing deposits more rapidly than the declines in earning asset yields, and a reduction in the amount of "lost interest" on nonperforming loans. Partially offsetting these favorable factors was a reduced contribution from net noninterest bearing funds due to the lower interest rate environment.

Although average earning assets increased to \$3.5 billion for the first quarter of 1992 from \$3.4 billion in the same quarter of 1991, average loans continued to trend downward, declining 5.0% for the first three months of 1992 from the same quarter of 1991 to \$2.5 billion. Offsetting the decline in average loans were increases in both average investment securities and short-term investments.

Average total deposits grew 3.2% to \$3.3 billion in the quarter ended March 31, 1992 from \$3.2 billion in the comparable quarter of 1991. Increases in NOW account and savings deposits were principally responsible for the growth in deposits, partially offset by a decline in higher-rate certificates of deposit. Average long-term debt declined by 61.3% to \$18.5 million primarily as a result of the maturity of medium-term notes. Additional information regarding average balances, net interest income, and the net interest margin is presented on page eight of this report.

Noninterest Income

Noninterest income amounted to \$10.0 million for the first quarter of 1992, an increase of 34.5% from the \$7.5 million earned in the same quarter of 1991. The growth in noninterest revenues during the first quarter of 1992 from the first quarter of a year ago was principally due to an increase in origination and servicing income from mortgage banking activities to \$1.7 million from \$719,000 in 1991, higher investment securities gains, a 19.4% increase in service fees on deposit accounts and a 15.7% rise in trust income.

Noninterest Expense

Noninterest expense totaled \$33.6 million for the first quarter of 1992, an increase of 5.6% from the comparable period in 1991. Despite declines in salaries and employee benefits, noninterest expenses continued to increase primarily due to higher writedowns of other real estate owned (OREO) during the first quarter of 1992 compared to the first quarter of 1991. Personnel expense was \$16.7 million for the first three months of 1992, falling 1.8% from the same period of 1991. Staff reductions resulting from SUMMIT's bank consolidation efforts and its ongoing expense containment program contributed to these declines, partly offset by an increase in commissions paid to mortgage origination personnel. OREO expense amounted to \$2.4 million for the first quarter of 1992 compared to \$485,000 for the first quarter of 1991.

Income Taxes

Applicable income taxes for the first quarter of 1992 increased to \$3.2 million from \$1.7 million a year ago. The increase in the effective income tax rate to 34.5% from 25.1% resulted from higher state taxes and a lower proportion of tax-exempt income to income before taxes.

Average Consolidated Statement of Condition, Net Interest Income and Net Interest Margin (Tax-Equivalent Basis)

	Three Months Ended March 31					
	1992			1991		
	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate
	(In Thousands)					
Assets						
Earning Assets						
Federal Funds Sold and Other						
Short-Term Investments	\$ 178,168	\$ 1,835	4.14%	\$ 112,360	\$ 1,758	6.35%
Investment Securities						
U.S. Treasury	22,091	353	6.43	52,792	1,035	7.95
U.S. Government Agency	593,795	10,956	7.38	375,022	8,634	9.21
State and Municipal	93,459	1,882	8.05	89,477	2,061	9.28
Other Securities	<u>104,034</u>	<u>1,981</u>	<u>7.58</u>	<u>172,894</u>	<u>3,825</u>	<u>8.97</u>
Total Investment Securities	813,379	15,152	7.46	640,365	15,575	9.06
Trading Account Securities	1,196	18	6.05	990	14	5.74
Loans						
Commercial	603,852	11,992	7.99	674,963	16,803	10.10
Consumer	383,653	9,082	9.52	397,175	10,952	11.18
Real Estate	<u>1,485,631</u>	<u>32,813</u>	<u>8.78</u>	<u>1,530,517</u>	<u>37,792</u>	<u>9.85</u>
Total Loans	<u>2,473,136</u>	<u>53,887</u>	<u>8.70</u>	<u>2,602,655</u>	<u>65,547</u>	<u>10.12</u>
Total Earning Assets	<u>3,465,879</u>	<u>70,692</u>	<u>8.18</u>	<u>3,406,390</u>	<u>82,804</u>	<u>9.78</u>
Allowance for Loan Losses	(84,892)			(82,958)		
Cash and Due from Banks	180,186			151,990		
Prepaid and Equipment	39,469			42,934		
Other Real Estate Owned	31,274			30,118		
Other Assets	<u>91,311</u>			<u>95,682</u>		
Total Assets	<u>\$3,723,227</u>			<u>\$3,634,146</u>		
Liabilities and Stockholders' Equity						
Interest Bearing Liabilities						
Savings Deposits	\$1,151,255	10,770	3.76	\$ 860,869	11,682	5.50
Money Market Accounts	590,030	5,304	3.62	553,791	7,494	5.49
Time Deposits	<u>1,148,381</u>	<u>14,315</u>	<u>5.49</u>	<u>1,316,271</u>	<u>28,117</u>	<u>7.43</u>
Total Interest Bearing Deposits	2,789,666	30,389	4.38	2,731,031	43,293	6.43
Federal Funds Purchased and Other						
Short-Term Borrowings	74,775	695	3.74	76,464	1,200	6.36
Long-Term Debt	<u>18,542</u>	<u>534</u>	<u>11.52</u>	<u>47,908</u>	<u>1,252</u>	<u>10.45</u>
Total Interest Bearing Liabilities	<u>2,882,983</u>	<u>31,618</u>	<u>4.41</u>	<u>2,855,403</u>	<u>45,745</u>	<u>6.99</u>
Demanded Deposits	509,205			465,320		
Accrued Expenses and Other Liabilities	<u>60,146</u>			<u>82,516</u>		
Total Liabilities	<u>3,452,334</u>			<u>3,383,239</u>		
Stockholders' Equity	<u>270,893</u>			<u>250,907</u>		
Total Liabilities and Stockholders' Equity	<u>\$3,723,227</u>			<u>\$3,634,146</u>		
Spread on Interest Bearing Liabilities			3.77			3.29
Effect of Noninterest Bearing Funds			.75			1.05
Net Interest Income		<u>\$39,074</u>			<u>\$37,059</u>	
Net Interest Margin			<u>4.51%</u>			<u>4.34%</u>

Notes: The above table includes nonaccrual loans. The amortization of fees on loans has been included in interest on loans. Income is presented on a tax-equivalent basis. It has been adjusted upward by the amount of Federal income tax that would have been paid on tax-exempt income if the income had been fully taxable at a 34% rate.

Financial Condition

Asset Quality

Total nonperforming assets continued their downward trend for the fourth consecutive quarter. At March 31, 1992, total nonperforming assets (consisting of nonperforming loans and OREO) were \$132.6 million, down from both the \$155.5 million at the same date in 1991 and the \$138.9 million at December 31, 1991. At March 31, 1992, nonperforming loans totaled \$103.1 million, compared to \$135.0 million at the same date a year ago and \$106.3 million at December 31, 1991. OREO increased to \$29.5 million at the end of the first quarter of 1992 from \$20.5 million at March 31, 1991 and decreased from \$32.6 million at year-end 1991. At March 31, 1992, OREO included \$11.2 million in foreclosed properties and \$18.3 million of in-substance foreclosures.

SUMMIT's allowance for loan losses amounted to \$83.3 million at the end of the first quarter, or 81% of nonperforming loans and 63% of nonperforming assets on that date. The comparable nonperforming coverage ratios were 61% and 53% at March 31, 1991 and 78% and 60% at year-end 1991, respectively.

Net charge-offs were \$5.0 million during the first quarter of 1992, slightly below the first quarter provision for loan losses. In the first quarter of 1991, net charge-offs totaled \$3.9 million, while the loan loss provision was \$4.4 million.

Further information regarding SUMMIT's loan portfolio, nonperforming assets and allowance for loan losses is presented on page 10 of this report.

Asset/Liability Management

SUMMIT's asset/liability management activities are intended to ensure adequate liquidity and to protect net interest revenue from the effect of adverse movements in the level of interest rates and the shape of the interest rate yield curve. The Asset/Liability Management Committee (ALCO) of each affiliate bank is responsible for executing SUMMIT's corporate liquidity and interest rate risk policies. These committees meet regularly to assess SUMMIT's current and prospective risk exposure and to establish strategies to achieve net interest margin objectives.

The purpose of liquidity management is to ensure that adequate funds are available to meet the company's asset and liability cash flow requirements and to respond to these needs promptly and economically. Current and future liquidity needs are reviewed by each ALCO to determine the appropriate asset/liability mix.

Capital Adequacy

SUMMIT is committed to maintaining a strong capital position. Capital adequacy is monitored in relation to the size, composition, and quality of its asset base and with consideration given to regulatory guidelines and industry standards. Management seeks to maintain a capital structure that will support anticipated asset growth and provide for favorable access to the capital markets.

In 1989, the Federal Reserve established guidelines for a risk-based capital approach to measure capital adequacy. These standards provide a method of monitoring capital adequacy that is more sensitive to the risk factors of a bank's asset base, including off-balance sheet risk exposures. A minimum ratio of total capital to risk-weighted assets of 8%, of which at least 4% should be Tier 1 capital, is required by the end of 1992. Based on these 1992 guidelines, SUMMIT's total risk-adjusted capital ratio was 11.72% as of March 31, 1992 and its risk-adjusted Tier 1 capital ratio was 10.22%. These levels exceed the regulatory minimums prescribed for bank holding companies.

In 1990, the Federal Reserve adopted a new leverage standard which supplements the risk-based ratios in determining overall capital adequacy. A minimum ratio of Tier 1 capital to total assets of 3% was established. Under these guidelines, institutions operating at the 3% minimum are expected to have well diversified risk profiles, including no undue interest rate risk, excellent asset quality, high liquidity, and good earnings. Institutions not meeting these characteristics, as well as institutions experiencing growth, would be expected to maintain capital levels ranging from 100 to 200 basis points above the minimum. At March 31, 1992, SUMMIT's Tier 1 capital to asset ratio was 7.26%.

Asset Quality Data (In Thousands)

Loan Portfolio	March 31, 1992		
	Nonperforming Loans		Percent of Loan Category
	Loans	Amount	
Commercial	\$ 575,327	\$ 31,698	5.51%
Consumer	391,190	6,851	1.75
Real Estate:			
Construction	110,740	22,640	20.41
Commercial	561,385	27,239	4.85
Residential	833,905	14,681	1.76
Total	<u>\$2,472,547</u>	<u>\$103,109</u>	<u>4.17%</u>
Nonperforming Assets	March 31,		December 31,
	1992	1991	1991
Nonaccrual Loans	\$102,828	\$134,980	\$106,066
Restructured Loans	281	—	281
Total Nonperforming Loans	103,109	134,980	106,347
Other Real Estate Owned (OREO)	29,447	20,516	32,556
Total Nonperforming Assets	<u>\$132,556</u>	<u>\$155,496</u>	<u>\$138,903</u>
Loans Past Due 90 Days or More and Accruing	<u>\$ 18,845</u>	<u>\$ 17,832</u>	<u>\$ 16,546</u>
As a % of Loans and OREO:			
Nonperforming Assets	5.30%	5.96%	5.49%
Loans Past Due 90 Days or More and Accruing	.75	.68	.65
Allowance for Loan Losses	1992		1991
	1992	1991	1991
Balance, January 1, ...	\$83,300	\$81,410	
Net Charge-Offs:			
Charge-Offs	5,581	4,375	
Less: Recoveries	547	495	
Net Charge-Offs	(5,034)	(3,880)	
Provision for Loan Losses	5,075	4,444	
Balance, March 31, ...	<u>\$83,341</u>	<u>\$81,974</u>	
Net Charge-Offs as a % of			
Average Loans	.81%	.60%	
Allowance for Loan Losses as a % of:			
Loans at Period-End	3.37	3.17	3.33%
Nonperforming Loans	81	61	78
Nonperforming Assets	63	53	60

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of legal proceedings involving the registrant, see Note 4 of Notes to Consolidated Financial Statements in Part I on page 5 of this Report.

Item 2. Changes in Securities

No changes have been made to the rights of holders of any class of securities during the first quarter of 1992.

Item 3. Defaults Upon Senior Securities

No default has occurred with respect to any of the registrant's securities during the first quarter of 1992.

Item 4. Submission of Matters to a Vote of Security Holders

In accordance with the instructions to Form 10-Q, no response is required.

Item 5. Other Information

No information is reported under this item.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 12. Computation of Ratio of Earnings to Fixed Charges

(b) Reports on Form 8-K

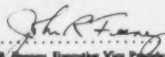
None.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 13th day of May 1992.

THE SUMMIT BANCORPORATION

(Registrant)

By 

(John B. Fenney, Executive Vice President and
Chief Financial Officer)

The Summit Bancorporation
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
	(In Thousands)	
Earnings:		
Net Income	\$ 6,127	\$ 5,101
Applicable Income Taxes	3,232	1,712
Fixed Charges, Excluding Interest on Deposits	<u>1,636</u>	<u>2,854</u>
Total Earnings, Excluding Interest on Deposits	10,995	9,667
Interest on Deposits	<u>30,389</u>	<u>43,293</u>
Total Earnings, Including Interest on Deposits	<u>\$41,384</u>	<u>\$52,960</u>
Fixed Charges:		
Interest Expense, Excluding Interest on Deposits	\$ 1,229	\$ 2,452
One Third of Appropriate Net Rental Expense*	<u>407</u>	<u>402</u>
Total Fixed Charges, Excluding Interest on Deposits	1,636	2,854
Interest on Deposits	<u>30,389</u>	<u>43,293</u>
Total Fixed Charges, Including Interest on Deposits	<u>\$32,025</u>	<u>\$46,147</u>
Ratio of Earnings to Fixed Charges:		
Excluding Interest on Deposits	6.72X	3.39X
Including Interest on Deposits	1.29	1.15

* Represents one third (the portion deemed representative of the interest factor) of long-term operating lease payments.